

June 28, 2004

## QUOTE OF THE WEEK

*"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. --That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed..."*  
*The Declaration of Independence*

## AROUND THE STATE

### \*\*\*Politicizing Lemonade\*\*\*

Under the 'only in America' category is an item I picked up in the daily list of protests. (Yes, we are so organized in our political expression that all protests are scheduled and wind up in a memo called the Morning Report). There was a protest scheduled where children would sell lemonade in front of the Governor's Los Angeles office. Under normal circumstances I simply would say that that is a lousy place to make any money selling lemonade, but this is about politics, not marketing. Some insensitive group called Health Access is abusing children by making them pawns in their scheme to raise taxes. They want the political press to have a visual image that raising taxes is as easy as selling lemonade. Perhaps the little tykes should have taught their sponsors a lesson by forming a union and holding out for guaranteed wages at such a lousy location.

### \*\*\*Tarnished Gold\*\*\*

Next week the Governor's California Performance Review report will be released. I anticipate terrific recommendations for improving our state's efficiency. Lest anyone be under the misimpression that government is already efficient, I recommend you look at <http://www.calgold.ca.gov/>. The site is ostensibly designed to be helpful to someone wanting to start a business. By entering the type of industry and the city, you can get a list of all the state and local departments that need to be involved in the permitting of your business. Say, for example, you wanted to become a demolition contractor. The good news is that the last three agencies listed offer consulting, training and financial assistance. The bad news is that you will want to take advantage of that consulting because of the 27 departments that are involved with opening such a contracting business. While this is an attempt by government to be helpful, it demonstrates the extreme level of intrusiveness to which our government has sunk. I am hopeful that Governor Schwarzenegger will be successful in streamlining state government so that potential

entrepreneurs do not have to be overwhelmed and intimidated at their first attempt to gather information about how to start a business in California.

### **\*\*\*Homeowner/Renter Assistance Deadline\*\*\***

June 30<sup>th</sup> is the last day to file for Homeowner and Renter Assistance credit for the 2002 tax year. You may be eligible if you are at least 62 years old, blind or disabled and you paid more than \$50 in rent (to a landlord that pays property tax) in 2002 or owned and lived in your own home as of December 31, 2002. Your total household income for 2002 must have been less than \$37,676 and either by a U.S. citizen or qualified alien. More information and an application is available at [http://www.ftb.ca.gov/forms/03\\_forms/03\\_hrabk.pdf](http://www.ftb.ca.gov/forms/03_forms/03_hrabk.pdf)

The maximum assistance payment for Homeowner Assistance is \$472.60. The maximum Renter Assistance payment is \$437.50. The payments are based on the amount of property tax assessed and paid on your home. For renters, the amount is based on how much property tax was paid indirectly through rent.

The filing period for the 2003 tax year begins July 1. The income limit for that year is \$38,505. Free assistance with the application is available between July 1 and October 15 by visiting [http://www.ftb.ca.gov/individuals/vita\\_tce/Site\\_Listing.pdf](http://www.ftb.ca.gov/individuals/vita_tce/Site_Listing.pdf) for a list of volunteer assistance sites, or by calling toll-free 1-800-868-4171.

### **\*\*\*UC Faculty Research Revenue\*\*\***

In these fiscally strapped days of state government, we should take every opportunity to make the state more efficient and to even make money where possible. As the Legislative Analyst's Office pointed out this week, we may be missing that opportunity with UC faculty research. UC's world-renown faculty members are often asked to undertake academic research projects for the federal government, private companies, and nonprofit institutions. UC itself admits that it did not collect nearly \$278 million in direct and indirect costs for sponsored research projects in 2000-2001. Further, the LAO found that most of this research facility revenue is being used by UC for other purposes. The Governor should take a hard look at these numbers as he considers ways to balance the state's budget.

## **ISSUE FOCUS**

### **\*\*\*Final Thoughts on Learning Algebra\*\*\***

This will be the last of my series on the state granting waivers that excuse high school students from having to pass the algebra portion of the high school exit exam. Most of the reader responses so far have expressed how depressingly easy these problems are.

Some say they demonstrate why businesses have a hard time finding good employees among California's high school grads. A very small minority said algebra has no practical use and as a successful adult/businessperson they have never needed it. One teacher even suggested that some kids do not have brains that are wired for algebra.

One thing I hope you noticed from this series is that none of the questions were of this dreaded variety: "Two trains moving at 20 miles per hour, 5 miles apart, travelling in opposite directions, etc." When I was in high school, these were called "story problems." The high school exit exam has nothing even close to this. So what we are dealing with here is just the proper execution of mathematical functions. In my book, these are barely even algebra problems, yet the state thinks it acceptable to give diplomas to 18 year-olds who can not do these basic calculations. I disagree. After 12 years in school, there is no excuse for not knowing how to do basic math.

A member of my staff saw a New York public school math textbook for eighth graders at a garage sale recently. The subject: pre-calculus/advanced trigonometry. The publishing date was 1916. If we lower our expectations as much in the next hundred years as we have over the past century, will there be any need for public schools at all in the year 2116?

The last three problems, and answers, are below.

1. Simplify the expression  $(6a^4bc)(7ab^3c)$

- A.  $13a^4b^3c$
- B.  $13a^5b^4c^2$
- C.  $42a^4b^3c$
- D.  $42a^5b^4c^2$

2.  $x^3y^3 =$

- A.  $9xy$
- B.  $(xy)^6$
- C.  $3xy$
- D.  $xxxyyy$

3. Simplify this expression:  $(5x^2z^2)(8xz^3)$

- A.  $40x^2z^6$
- B.  $40x^3z^5$
- C.  $40x^3z^6$
- D.  $40x^5z^5$

1:D, 2:D, 3:B

## **BOE AND LEGISLATIVE DATES**

**June 30, 2004** --- Governor Schwarzenegger's California Performance Review to be released

**June 30 & July 1, 2004** --- BOE meets in Sacramento

**July 2, 2004** --- Legislature's summer recess begins, providing a budget bill has been enacted.

**July 5, 2004** --- BOE July 4<sup>th</sup> holiday

**July 31, 2004** --- Second quarterly Sales and Use Tax payment due

**August 2, 2004** --- Legislature reconvenes

**August 13, 2004** --- Last day for legislative fiscal committees to meet and report bills to the floor

**August 16-31, 2004** --- Floor sessions only; no committee may meet for any purpose

**August 24, 2004** --- BOE meets in Sacramento

## **NOTABLE DATES/ HISTORY**

**June 30, 1950** --- President Truman ordered U.S. troops into Korea

**June 30, 1971** --- Ohio became the 38th state to approve lowering the voting age to 18, thus ratifying the 26th amendment

**June 30, 1982** --- Federal Equal Rights Amendment failed (three states short of ratification)

**July 1, 1862** --- Internal Revenue Law imposed the first federal taxes on inheritance, tobacco and on incomes over \$600

**July 1, 1863** --- The Battle of Gettysburg began

**July 1, 1898** --- Teddy Roosevelt & his Rough Riders charged up San Juan Hill

**July 1, 1943** --- First withholding tax from paychecks

**July 1, 1971** --- The last construction bonds for the Golden Gate Bridge were retired, with \$35 million in principal and nearly \$39 million in interest being financed entirely from Bridge tolls

**July 2, 1776** --- Continental Congress approved the Declaration of Independence, resolving that "these United Colonies are & of right ought to be Free & Independent States" (passed by 12 of the 13 colonies; New York abstained)

**July 2, 1777** --- Vermont became first American colony to abolish slavery

**July 4, 1776** --- Members of the Continental Congress signed the Declaration of Independence

**July 4, 1865** --- First edition of "Alice in Wonderland" was published

**July 4, 1876** --- First public exhibition of electric light in San Francisco

**July 4, 1884** --- Statue of Liberty was presented to U.S. in Paris

**July 4, 1988** --- U.S. Navy shot down Iranian civilian jetliner over Gulf, killing 290

## **GENERAL TAX INFORMATION**

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115  
TDD service for the hearing impaired  
TDD phones: 800-735-2929  
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

## **HOW TO CONTACT ME**

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